



**NOTICE OF SPECIAL BOARD MEETING  
VIA CONFERENCE CALL**

**Date:** Friday, August 7, 2020

**Time:** 11:00 a.m. – 12:00 p.m.

**Dial-in Number:** 1 (888) 742-5095

**Conference Code:** 5561712598#

Please identify yourself when joining the call.

**AGENDA**

1. Call to Order
2. Recommendations for Grant Administrator Selections for the COVID-19 Housing Assistance Program
3. Request for Delegated Authority Related to the COVID 19 Housing Assistance Program
4. Other Business
5. Adjournment

**NOTE:** The information and requests for approval contained in this packet of materials are being presented by Minnesota Housing staff to the Minnesota Housing Board of Directors for its consideration on Thursday May 7, 2020.

**Items requiring approval are neither effective nor final until voted on and approved by the Minnesota Housing Board.**

*The Agency may conduct a meeting by telephone or other electronic means, provided the conditions of Minn. Stat. §462A.041 or Minn. Stat. 13D.021 are met. The Agency shall, to the extent practical, allow a person to monitor the meeting electronically and may require the person making a connection to pay for documented marginal costs that the Agency incurs as a result of the additional connection.*

**Item:** Recommendations for Grant Administrator Selections for the COVID-19 Housing Assistance Program

**Staff Contact(s):**

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**Request Type:**

- |                                                |                                           |
|------------------------------------------------|-------------------------------------------|
| <input checked="" type="checkbox"/> Approval   | <input type="checkbox"/> No Action Needed |
| <input type="checkbox"/> Motion                | <input type="checkbox"/> Discussion       |
| <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Information      |

**Summary of Request:**

Staff recommends adoption of the attached resolution authorizing selection of 44 grant administrators to operate the COVID-19 Housing Assistance Program to help prevent evictions, prevent homelessness, and maintain housing stability of individuals and families impacted by COVID-19. This program, including a state-wide referral system and household online application system, will be funded with up to \$100 million from the federal Coronavirus Relief Fund.

**Fiscal Impact:**

The program is funded by federal Coronavirus Relief Funds that were allocated to the State of Minnesota through the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act. Individual awards will be structured as grants, which do not earn interest for the Agency.

**Meeting Agency Priorities:**

- ☐ Improve the Housing System
- ☒ Preserve and Create Housing Opportunities
- ☐ Make Homeownership More Accessible
- ☒ Support People Needing Services
- ☒ Strengthen Communities

**Attachment(s):**

- Background
- Resolution

## Background

On July 9, 2020, the Minnesota Housing Board approved establishing the COVID-19 Housing Assistance Program (the “Program”). The approval was contingent on the Agency receiving a funding allocation from the State’s Coronavirus Relief Fund (“CRF”), pursuant to the federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”). On July 14, 2020, Governor Walz announced that \$100 million from the CRF would be made available to establish the Agency’s COVID-19 Housing Assistance Program. Minnesota Housing has now received the \$100 million allocation after a 10-day Legislative Advisory Council process.

## COVID-19 Housing Assistance Program Overview

Program resources will be used for housing assistance payments to prevent eviction, prevent homelessness, and maintain housing stability for renters and homeowners that meet all of the following criteria:

- 1) Be a Minnesota resident.
- 2) Households with incomes at or below 300% of federal poverty guidelines, with a preference for households at or below 200% of federal poverty guidelines.
- 3) Have an eligible housing expense incurred after March 1, 2020 that is past due. Program funds may only be used for expenses incurred between March 1, 2020, and December 30, 2020 that are past due.
- 4) Be unable to make the payment(s) owed because of the public health emergency due to unemployment, illness, or another COVID-19 related issue.

COVID-19 related past due eligible housing expenses may include the following: rental payments, mortgage payments (including property taxes and insurance), contract for deed payments, manufactured home park lot rents, manufactured home loan payments, certain utility payments, association fees, homeowner’s insurance, and additional housing-related costs approved by Minnesota Housing. Payments are not made to the individual households, but rather are made directly to the entity holding the past due expense.

The COVID-19 Housing Assistance Program will be operated by a state-wide network of grant administrators. The grant administrators will work directly with individuals and families seeking housing assistance due to impacts from the COVID-19 pandemic. Entities eligible to apply to serve as a grant administrator included:

- Family Homeless Prevention and Assistance Program (FHPAP) grantees or subgrantees
- Federally recognized tribes in Minnesota
- Local units of government (cities, counties, PHAs, HRAs)
- Nonprofit/community based organizations with ability to administer rental or mortgage assistance.

Interested applicants were encouraged to identify specific strategies that promote staffing and program models representative of and responsive to the populations to be served, particularly those households overrepresented among people experiencing homelessness, including African Americans, American Indians, persons with disabilities, veterans and lesbian, gay, bisexual, transgender, or questioning/queer (LGBTQ) persons. In addition to achieving state-wide coverage, a program goal is for selected

administrators to identify and serve individuals and families that disproportionately experience housing instability within their proposed service areas, and to implement clear, appropriate, and assertive strategies for engaging and serving them effectively.

A portion of the Program funds will be used for administrative expenses of each administrator.

#### Grant Administrator Proposals and Selections

In conjunction with Governor's Walz funding announcement on July 14, Minnesota Housing launched the COVID-19 Housing Assistance Program Request for Proposals ("RFP") to select grant administrators throughout Minnesota. Proposals were due on July 22, 2020. We received 115 proposals requesting more than \$151 million of funding. Of the 115 proposals, 90 initially passed the minimum eligibility threshold for further processing.

The evaluation process included several factors, including: achieving statewide coverage with service regions proposed by the grant administrators; the applicant's ability to address equity and community needs; addressing overlapping service regions from different administrators; the applicant's financial condition; and, a scoring rubric. The scoring rubric is one component of the review process, which also included limiting the total number of grantees in a given geography and ensuring each region is served by one or more grant administrators.

Scoring Rubric		
<b>Capacity</b>	<ul style="list-style-type: none"> <li>Number of households estimated to be served is feasible</li> <li>Staffing and administrative capacity is sufficient to deploy the program</li> <li>Experience with landlords and households in need of the resource is evident</li> <li>Ability to provide assistance in a timely and appropriate manner for the population identified</li> </ul>	50
<b>Equity</b>	<ul style="list-style-type: none"> <li>Ability to demonstrate culturally appropriate marketing, access, and service to populations disparately impacted</li> <li>Existing relationships and specific experience assisting identified households</li> </ul>	30
<b>Budget</b>	<ul style="list-style-type: none"> <li>Budget is clearly explained and reasonable</li> </ul>	20
Total:		100

Based on the combined set of evaluation factors, staff recommends selecting 44 grant administrators to operate the program (see attached resolution). Several of the recommended grant administrators also proposed to include subgrantees or supporting partners in their service delivery models. The number of households ultimately served is hard to estimate, as the level of need will vary by household, households may apply more than once, and there is no cap on the amount of assistance a household may request for eligible expenses.

This is a new program with a short timeframe and no single method to precisely forecast the amount or timing of demand for assistance, either for each grant administrator or within a given service area. Because of that, the final grant amount for each administrator will be determined by a process that will adjust, on an ongoing basis, grant amounts throughout the length of program. This process is intended to help meet demand and expend funds for expenses incurred by 12/30/2020, which is the current

deadline included in the CARES Act. The total Initial Selection Amount of \$63,214,101 for the 44 grant administrators was calculated based on a percentage of estimated need for a given region after accounting for overlapping geographies.

A percentage of the Initial Selection Amount will be made available up-front to the grant administrators to help launch their programs and to begin outreach work. Based on the demand experienced by each grant administrator, subsequent grant disbursements are expected to be based on the actual number of approved applications for assistance each grant administrator completes until Program funds have been depleted. As a result, the total amount disbursed to each grant administrator by the conclusion of the program will vary from the Initial Selection Amount. There will be a preference to serve households with incomes at or below 200% of the federal poverty guidelines based on application periods, which are anticipated to be bi-weekly. In order to facilitate this dynamic process and to meet the needs of this unique program, the Commissioner is separately requesting a delegation of authority to modify individual grant award amounts so that we may more quickly respond to demand for housing assistance throughout the state. Aggregate program disbursements will be capped at the \$100 million funding availability.

The RFP limited applicants to a maximum of 15% administrative expenses. The average request was for approximately 12.8%. Staff will continue working with grant administrators to update their administrative expense budgets during the due diligence period and throughout the course of the program to reflect the demand based allocation of direct assistance funds and to prioritize as much of the resources as possible are used for direct housing assistance.

#### Statewide Referral Service and an Online Application System

To help enhance Program access throughout the state, Minnesota Housing is also establishing both a centralized state-wide referral service and an online application system that all grant administrators will use to process requests for housing assistance. Other states that have developed housing assistance programs have experienced large increases in call volume and slower than anticipated application and payment processing. We anticipate the online application system will allow households to track the status of their application and reduce the need to reach out to grant administrators regarding the status of their application.

Pursuant to existing delegated authority, and in consultation with the Chair, the Commissioner approved use of up to \$1 million for purposes of the state-wide referral service and up to \$1.25 million for purposes of the online application system. The agency is now under contract with entities to develop and provide both services and expect to broadly provide information on how both applicants and administrators can use those resources as we get closer to launching the application process. Minnesota Housing staff will also utilize the online application system to monitor program performance.

#### Potential Foreclosure Counseling

Staff continue to explore the potential use of resources for foreclosure counseling work provided through a statewide homeownership network. If that is something that is ultimately pursued, approval will be sought either by the board or through delegated authority. It is expected that the amount sought for this purpose will not exceed \$1 million.

**MINNESOTA HOUSING FINANCE AGENCY  
400 Wabasha Street North, Suite 400  
St. Paul, MN 55102**

**RESOLUTION NO. MHFA 20-XXXX**

**RESOLUTION APPROVING SELECTION OF  
GRANT ADMINISTRATORS FOR THE  
COVID-19 HOUSING ASSISTANCE PROGRAM**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) has received applications from entities to administer the COVID-19 Housing Assistance Program (“Program”) that will provide housing assistance across the state to help prevent evictions, prevent homelessness, and maintain housing stability of individuals and families impacted by COVID-19.

WHEREAS, Agency staff has reviewed applications, determined that they are in compliance with the requirements of the Program and will allow the Agency to provide this assistance across the state, and recommended the selection of the following as administrators for the Program.

**NOW THEREFORE, BE IT RESOLVED:**

THAT, the Board hereby authorizes Agency staff to enter into grant agreements with the following applicants, using resources available pursuant to the Program, subject to the terms and conditions herein and in the respective grant agreements:

<b>Grant Administrators</b>	<b>Initial Selection Amount</b>
<b>Bi-County Community Action Programs, Inc.</b>	\$92,000
<b>Bois Forte Band of Chippewa</b>	\$756,960
<b>Centro Tyrone Guzman</b>	\$115,000
<b>Comunidades Latinas Unidas en Servicio, Inc.</b>	\$1,600,000
<b>Community Action Center of Northfield</b>	\$184,000
<b>Community Mediation Minnesota</b>	\$400,000
<b>Dakota County-Community Services</b>	\$1,600,000
<b>Grand Portage Band of Lake Superior Chippewa</b>	\$100,000
<b>Hennepin County</b>	\$6,143,970
<b>Human Services of Faribault and Martin Counties</b>	\$561,200
<b>Inter-County Community Council</b>	\$230,000
<b>Isuroon</b>	\$400,000

<b>Grant Administrators</b>	<b>Initial Selection Amount</b>
<b>Kandiyohi County Housing and Redevelopment Authority</b>	\$361,560
<b>Kootasca Community Action, Inc.</b>	\$174,800
<b>Lakes and Pines Community Action Council, Inc.</b>	\$647,220
<b>Lakes &amp; Prairies Community Action Partnership, Inc.</b>	\$771,645
<b>Latino Economic Development Center</b>	\$2,760,000
<b>Leech Lake Band of Ojibwe Housing Authority</b>	\$184,000
<b>Lower Sioux Indian Community in the State of Minnesota</b>	\$40,000
<b>Lutheran Social Services of Minnesota</b>	\$2,191,058
<b>Mahube-Otwa Community Action Partnership Inc.</b>	\$469,694
<b>Mille Lacs Band of Ojibwe</b>	\$1,120,000
<b>Minnesota Home Ownership Center</b>	\$10,000,000
<b>Minnesota Valley Action Council, Inc.</b>	\$1,115,500
<b>Neighborhood House</b>	\$4,000,000
<b>NeighborWorks Home Partners</b>	\$345,000
<b>New American Development Center</b>	\$1,656,000
<b>Northside Residents Redevelopment Council, Inc.</b>	\$24,950
<b>Northwest Indian Community Development Center</b>	\$100,000
<b>Olmsted County</b>	\$1,637,600
<b>Prairie Five Community Action Council, Incorporated</b>	\$400,000
<b>Red Lake Band of Chippewa Indians</b>	\$3,095,800
<b>St. Louis County</b>	\$3,283,200
<b>Semcac</b>	\$842,800
<b>Southwest Minnesota Housing Partnership</b>	\$1,840,000
<b>The Salvation Army</b>	\$8,000,000
<b>The Salvation Army Mankato</b>	\$276,000
<b>Three Rivers Community Action, Inc.</b>	\$2,000,000
<b>Tri-County Action Program, Inc.</b>	\$662,400
<b>Tri-Valley Opportunity Council, Inc.</b>	\$691,537
<b>United Community Action Partnership, Inc.</b>	\$1,600,941

<b>Grant Administrators</b>	<b>Initial Selection Amount</b>
<b>Wadena Housing &amp; Redevelopment Authority</b>	\$114,000
<b>White Earth Reservation Tribal Council</b>	\$225,266
<b>West Central Minnesota Communities Action, Inc.</b>	\$400,000
<b>Total</b>	<b>\$63,214,101</b>

1. Grant agreements shall require compliance with the requirements of the Program as well as the applicable provisions of the federal Coronavirus Aid, Relief, and Economic Security Act ("CARES Act"), as it may be amended;
2. The Initial Selection Amount is subject to modification based on amount of available resources in the Program, to comply with the parameters of the Program, to facilitate statewide access to these housing stability resources, and based on demonstrated need;
3. The issuance of grant agreements in form and substance acceptable to Agency staff and the execution of the individual grant agreements shall occur no later than one month from the adoption date of this Resolution; and
4. The applicants and such other parties shall execute all such documents relating to said grants and subject to such terms and conditions as the Agency, in its sole discretion, deems necessary.

Adopted this 7<sup>th</sup> day of August 2020

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CHAIRMAN



**Item:** Request for Delegated Authority Related to the COVID 19 Housing Assistance Program

**Staff Contact(s):**

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Anne Smetak, 651.263.1460, anne.smetak@state.mn.us

**Request Type:**

- |                                                |                                           |
|------------------------------------------------|-------------------------------------------|
| <input checked="" type="checkbox"/> Approval   | <input type="checkbox"/> No Action Needed |
| <input type="checkbox"/> Motion                | <input type="checkbox"/> Discussion       |
| <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Information      |

**Summary of Request:**

The Commissioner requests approval of the attached delegation of authority in order to facilitate the administration of the COVID-19 Housing Assistance Program.

**Fiscal Impact:**

None.

**Meeting Agency Priorities:**

- ☐ Improve the Housing System
- ☒ Preserve and Create Housing Opportunities
- ☐ Make Homeownership More Accessible
- ☒ Support People Needing Services
- ☒ Strengthen Communities

**Attachment(s):**

- Resolution

**MINNESOTA HOUSING FINANCE AGENCY  
400 Wabasha Street N, Suite 400  
St. Paul, Minnesota 55102**

**RESOLUTION NO. MHFA 20-XXX  
BOARD DELEGATION NO. XXX**

**DELEGATION OF AUTHORITY TO THE COMMISSIONER RELATED TO THE COVID-19 HOUSING  
ASSISTANCE PROGRAM**

WHEREAS, the Minnesota Housing Finance Agency (“Agency”) Commissioner (“Commissioner”) has requested that the Minnesota Housing Finance Agency Board (“Board”) delegate to the Commissioner certain authority regarding the administration of the COVID-19 Housing Assistance Program (“Program”) in order to improve the efficiency of the Program and the use of the time-limited federal resources to preserve housing stability across Minnesota;

WHEREAS, such authority would permit the Commissioner to perform the activities encompassed by the delegation without prior Board approval; and

WHEREAS, the Board has considered the request and finds that it is in the best interests of the Agency to delegate such authority.

**NOW, THEREFORE, BE IT RESOLVED:**

That the Board grants the delegated authority below to the Commissioner so long as such authority is exercised in accordance with the parameters and requirements stated herein. This delegated authority applies only to the COVID-19 Housing Assistance Program and expires when that program is concluded.

**DELEGATED AUTHORITY – Program Guide**

To authorize the Commissioner to approve a program guide for the COVID-19 Housing Assistance Program.

1. The guide must be consistent with the parameters of the Program as approved by the Board and the federal requirements governing use of the funds; and
2. The guide must be reviewed and approved by appropriate members of the agency’s Servant Leadership Team.

**DELEGATED AUTHORITY – Funding Process**

To authorize the Commissioner to approve modifications to the grant amounts provided to administrators pursuant to the COVID-19 Housing Assistance Program.

1. The funding modifications must: comply with the parameters of the Program; be necessary to facilitate timely statewide access to these housing stability resources; and be based upon demonstrated need;
2. Disbursements related to the funding modifications may not exceed the amount of available resources under the Program; and
3. The funding modifications must be approved by appropriate members of the agency’s Servant Leadership Team.

REPORTING REQUIREMENTS

The Commissioner shall report the actions taken using this delegated authority to the Board at the next regularly scheduled Board meeting.

Adopted this 7th day of August 2020

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CHAIRMAN